MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2210)

BEN2074 – ENTREPRENEURSHIP

(All Sections)

7 FEBRUARY 2023
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **EIGHT (8)** pages (including the cover page)
2. Answer **ALL** questions.

QUESTION 1

CARSOME

Southeast Asia's leading used car platform, Carsome has the honour of being Malaysia's first tech unicorn

By: Chong Jinn Xiung

In 2013, venture capitalist Aileen Lee coined the term 'unicorn', used to describe privately held startup companies with a value of over US$1 billion. While these companies were rare at the time, more have since emerged, and it has become every aspiring startup founder's dream to build a unicorn company one day.

While not every startup makes that dream come true, that dream became a reality for Carsome co-founder and group chief executive officer Eric Cheng. The company became Malaysia's first tech unicorn in July 2021 after it acquired a stake in iCar Asia Ltd, which is listed on the Australian Stock Exchange.

All this didn't happen by chance. Cheng, a Gen.T 2019 honouree, firmly believes that his success proves that it doesn't matter what kind of background you come from. "So long as you can dream it and work very hard, anything is possible," he says. It also goes to show that Malaysians have what it takes to be successful on a regional and international level.

While Carsome is Malaysia's first tech unicorn, Cheng is certain that it will not be its last. He hints that he knows of several other Malaysian startups that are poised to follow Carsome's path, and we may see more unicorns sprouting up in the near future.

In mid-July Carsome sealed a deal with Catcha Group via a shareswap deal that saw the startup take a stake in the Australia-listed iCar Asia Ltd. This would be the first step in Carsome's wider ambition to become the largest digital automotive group in Southeast Asia.

The acquisition of iCar Asia was strategic in nature, explained Cheng. According to him, Carsome has aspirations to become an end-to-end solution to car buyers with plans to include insurance, financing and after-sales service under its host of services.

Before iCar's acquisition, Cheng shared that Carsome market reopens," he says. Those plans have not changed, as the company still intends to list either through the traditional initial public offering (IPO) route or via a special-purpose acquisition company (SPAC). Carsome has yet to decide where they intend to list, but he affirms they will go public within the coming year.

Even though Carsome is on cloud nine at the moment, Cheng is quick to point out that there is a lot of work to be done. The online market for cars in Southeast Asia is estimated to be worth US$60 billion. After six years in operation, Cheng says he's only getting started.

"We have not even begun to scratch the surface. Now that we are close to a billion dollars in revenue, that's not even five per cent of the total market. I would say there are plenty of opportunities to grow," he says.

"I like starting new businesses because I'm interested in finding better ways to tackle a problem and come up with a solution," says Cheng. Simplifying the complicated process of selling and buying a car was the main drive and hook for Carsome, which now operates in four markets across Southeast Asia: Malaysia, Singapore, Indonesia and Thailand. The platform maintains market leadership in Malaysia, Indonesia and Thailand, making it the largest used car trading platform in the region.

Carsome faced challenges during its early days; its main challenge was to convince dealers and buyers to take a chance with them. Carsome's breakthrough came after it launched its auction service. "We knew we finally made it after we saw dealers making offers for cars listed online without seeing it in person," he recalls. Carsome makes the whole experience of buying a car to be low risk for the buyer. Should a buyer dislike the car they bought, they can return it to Carsome within five days of purchasing it, though with some terms and conditions, of course.

A New Way To Do Business

The Covid-19 pandemic has made selling cars physically more challenging but while the overall market has been impacted negatively, with showrooms forced to close during lockdown, Cheng says business is still good.

"We have created a new way for customers to buy and sell cars online. It is pretty remarkable considering that people are not even seeing the car they are buying in person, although they have it delivered to their doorstep," he says.

Carsome is definitely looking at expanding its selection of vehicles. It plans to be the platform where you can buy any model you want. When asked how Carsome expects to sell next year, the company says it's looking at a growth of two to three times based on the volume they are generating now.

"I would say we are performing ahead of projections even before lockdown. Even though lockdowns have slowed things down, we are hopeful that things will pick up again when the market reopens," he says.

Excerpts taken from:
https://www.tatlerasia.com/power-purpose/business/carsomes-eric-cheng-wants-to-change-the-way-we-buy-cars

Based on the above case study about Carsome, answer the following questions.

a. It seems that Carsome has its unique and strong value, which translates into a successful business venture. Complete the Value Proposition Canvas (VPC) template (as attached in Appendix 1) for Carsome by filling-in all the required components of VPC that underlines the fit between the value map and customer profile.

(10 marks)

b. Explain **TWO (2)** possible reasons why Eric Cheng wanted to become an entrepreneur.

(2 marks)

c. Suggest **TWO (2)** potential opportunities and **TWO (2)** potential threats to the Carsome business growth.

(4 marks)

d. Briefly explain the role of board of advisers in assisting Carsome's success particularly in managing the liability of newness.

(4 marks)

[Total 20 Marks]

QUESTION 2

a. You have been invited to become a speaker in the upcoming Young Entrepreneurs Symposium in Multimedia University in conjunction to Career Fair 2023. You are about to draft your slide deck and one of the issues that you supposed to highlight is the impact of the micro entrepreneurial firms towards the larger established firms. Outline **TWO (2)** ways how the micro entrepreneurial firms could impact the larger firms.

(10 marks)

b. The term **opportunity recognition** refers to the process of *perceiving* the possibility of a profitable new business or a new product or service. That is, an opportunity that cannot be pursued until it's *recognized*.

Explain briefly **FOUR (4)** personal characteristics that make some people better at recognising business opportunities than others.

(10 marks)

[Total: 20 Marks]

Continued...

QUESTION 3

a. Jobozo is your close friend from the secondary school. He is thinking about opening-up his own business in selling branded denim goods at Malakat Mall with a potential business partner. He knew that you are taking entrepreneurship subject in Multimedia University this semester. He called you for a quick chat and wanted to know more about partnership business entity. Provide him the information that he needed on **TWO (2)** key criteria to look for in a business partner.

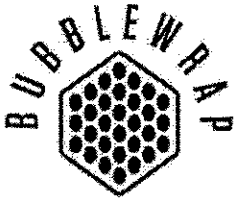
(10 marks)

b. There are various analysis that can be done prior to drafting a business plan. Define market analysis and industry analysis. Explain how to segments the market through market analysis.

(10 marks)

[Total: 20 marks]

QUESTION 4



Bubblewrap Waffle (Bubblewrap) recreates a historical street dessert from Hong Kong and brings it to London's Chinatown. Its founder Tony Fang was the first to bring this delicacy to the UK. The sweet treat consists of homemade egg waffle, topped with fresh gelato, fruit, cream, chocolate, sauce and biscuits.

Bubblewrap began as a university project. After nearly two years of trading in markets across London and catering for food festivals, Tony opened the first Bubblewrap store in March 2017. The products soon became a viral success. The desserts were featured in Facebook videos created by Time Out and Buzzfeed, amounting to 33 million views.

However, Tony knew that he would not only need to protect the company's branding, but the all-important waffle recipe. The viral mania from the Facebook videos, alongside Bubblewrap's unique ingredients, led to queues that lined the streets of Chinatown. Tony soon noticed stores opening across the UK selling replicas of their product:
We were not satisfied by some of the publicly available recipes. We started to develop our own, and even now, we are still refining them. In the first six months, it was always only me or my business partner who prepared and mixed the batter. We had people pretend to

come to work for us and ask sensitive questions about the recipes. Our staff were followed and questioned after work.

Now each Bubblewrap employee is only aware of part of the secret recipe. There is a confidentiality clause in the standard employee contract and all those involved in the creation process sign a non-disclosure agreement. Tony explains:

Given the popularity of the Bubblewrap brand, protecting our IP is of vital importance to our business. Since our store opening, there have been many competitors selling similar products. Some used brand names that were very similar or even the same to ours. We have been able to use our IP rights to fight against these behaviours. It is really shocking that people will copy other's creations so blatantly.

We realise that protecting our IP and business is going to be an ongoing and necessary part of our work.

Excerpt taken from:
https://www.gov.uk/government/case-studies/intellectual-property-bubblewrap-waffle

a. Discuss the importance of nondisclosure and noncompete (is this supposed to be noncomplete?) agreements that can be used by Bubblewrap to protect their trade secret from the existing and potential competitors.

(10 marks)

b. Discuss **TWO (2)** possible ways that the entrepreneurs can use to identify new business, product, and service opportunities.

(10 marks)

[Total: 20 marks]

Continued...

QUESTION 5

BEFORE Vs AFTER

Short and sweet. With this new brand, they're positioning themselves towards coffee — a much bigger appeal.

They keep the typography but enhances its playfulness. The brand name changes add to it all, as you can see in the case study below.

a. Based on the above scenario, the original brand of Dunkin' Donuts has been rebranded as Dunkin'. Define brand in both philosophical and practical levels. Explain **THREE (3)** ways on Dunkin' should create a buzz.

(10 marks)

b. You have been appointed as a mentor for Young Buddies Entrepreneurs Programme and you have been asked by one of the mentees about pricing strategies. Brief your mentees about the difference between cost-based pricing and value-based pricing

(10 marks)

[20 marks]

[Full: 100 marks]

End of Page

Appendix 1: Value Proposition Canvas

Instruction: After compete the canvas, please attach this appendix in your answer booklet.